

Message Text

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AMEMBASSY BONN
AMEMBASSY MOSCOW
AMEMBASSY BRUSSELS
AMEMBASSY VIENNA

C O N F I D E N T I A L STATE 216997

USEEC, USIAEA

E.O. 11652:GDS

TAGS: PARM

SUBJECT: LONDON SUPPLIERS GROUP: INFORMAL DISCUSSION WITH
UK

SUMMARY: MICHAEL WILMSHURST, FCO, AND MICHAEL JAMES, DOE,
MET SEPTEMBER 8 IN DEPARTMENT WITH US TEAM HEADED BY T/D
JOSEPH NYE FOR INFORMAL DISCUSSIONS IN ADVANCE OF SEPTEMBER
20 LONDON SUPPLIERS GROUP MEETING. DISCUSSION FOCUSSED ON
AGENDA FOR MEETING, PARTICULARLY ARTICLE IV ISSUES.
WILMSHURST AND JAMES WILL TRAVEL TO OTTAWA, PARIS AND
MOSCOW FOR SIMILAR DISCUSSIONS OVER THE NEXT WEEK. END
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SUMMARY.

1. WILMSHURST SAID THAT HIS PRESENT VISIT WAS THE FIRST
IN A SERIES OF TRIPS TO CAPITALS TO DISCUSS AGENDA ITEMS
IN ADVANCE OF SEPTEMBER 20-21 LONDON SUPPLIERS MEETING. HE
EXPECTS TO BE IN OTTAWA SEPTEMBER 9, PARIS SEPTEMBER 12,
AND MOSCOW SEPTEMBER 14. BRITISH ARE CONCERNED THAT SUP-

PLIERS GROUP NOT STAGNATE BECAUSE OF LACK OF PROGRESS AT RECENT MEETINGS, AND IN PARTICULAR THAT SOME PROGRESS BE MADE IN SEPTEMBER ON ARTICLE IV. THE IDEAL RESULT, FRENCH AGREEMENT TO SUPPLIERS MAKING FULL-SCOPE SAFEGUARDS A CONDITION FOR SUPPLY, APPEARS TO UK NOT POSSIBLE NOW:

FRENCH TOLD HIM LAST WEEK THAT (A) THEY COULD NOT AGREE TO FULL-SCOPE, AND (B) THEY WANTED THE ISSUE TAKEN OFF THE SEPTEMBER AGENDA. SO THE SEARCH WAS FOR SOMETHING LESS THAN THE IDEAL WHICH WOULD PRODUCE FORWARD MOVEMENT IN THE GROUP.

2. NYE QUESTIONED WHETHER THE FRENCH RESPONSE WAS NECESSARILY THEIR FINAL POSITION. HE SUGGESTED THAT THE GOF MAY BE IN THE PROCESS OF FOCUSING ON SUCH ISSUES, AND THAT WE SEE AT LEAST A POSSIBILITY OF POSITIVE DEVELOPMENT IN THE FRENCH ATTITUDE. IF THAT POSSIBILITY EXISTS, IT COULD BE A MISTAKE TO SUGGEST THAT THE SEPTEMBER MEETING WILL BE THE LAST BEFORE PUBLICATION OF THE SUPPLIER GUIDELINES AND THUS THE OCCASION FOR FIXING POSITIONS IN CONCRETE.

3. WILMSHURST OUTLINED A NUMBER OF OPTIONS: (A) GOING FOR A COMMITMENT TO ARTICLE IV FULL-SCOPE (WHICH HE SAW THE FRENCH ATTITUDE FORECLOSING); (B) SEEKING LANGUAGE CHANGES IN ARTICLE IV (HE SAID THE FRENCH HAVE NOTHING TO CONFIDENTIAL

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SUGGEST); (C) FINDING A COMPROMISE ARTICLE IV WHICH WOULD HAVE SUPPLIERS RECOGNIZING THE IMPORTANCE OF FULL-SCOPE BUT NOT MANDATING IT; (D) PUTTING OFF THE ISSUE FOR SOME MONTHS; (E) ACCEPTING THAT THE TIME FOR A FULL REVIEW OF THE GUIDELINES IS NOT RIPE, BUT EXPANDING THE GROUP TO INCLUDE NEW MEMBERS WHO WOULD JOIN A FUTURE REVIEW. WILMSHURST SAW MERIT IN AN OPTION COMPROMISE, WHICH WOULD AT LEAST GET MEMBERS OF THE GROUP TO AGREE TO THE PRINCIPLE OF FULL-SCOPE. HE PRODUCED A DRAFT FOR ARTICLE IV, THE KEY LANGUAGE OF WHICH WOULD READ QTE SUPPLIERS RECOGNIZE THE DESIRABILITY/IMPORTANCE OF SEEKING THE ACCEPTANCE BY CONSUMERS OF IAEA SAFEGUARDS ON ALL THEIR NUCLEAR ACTIVITIES WHERE APPROPRIATE AND PARTICULARLY IN THE CASE OF WEAPONS-USABLE MATERIAL AND OF SENSITIVE TECHNOLOGY AND EQUIPMENT. . . END QTE.

4. NYE INDICATED WE MIGHT HAVE PROBLEMS WITH SUCH LANGUAGE, ESPECIALLY THAT BEGINNING "WHERE APPROPRIATE . . .", BUT THAT IN ANY CASE THE CENTRAL ISSUE IS WHERE WE THINK FRENCH ARE GOING ON FULL-SCOPE: IF EXTERNAL EVENTS AND INTERNAL DEVELOPMENTS ARE TENDING TO MOVE GOF TOWARD ACCEPTANCE, OUR PROPOSING A FALL-BACK AT THE SEPTEMBER 20

MEETING AS SUGGESTED BY BRITISH COULD BE UNWISE. GRANTED
A COMPROMISE, ACCEPTABLY DRAFTED, MIGHT BE BETTER THAN NO
FULL-SCOPE AGREEMENT, WE QUESTION WHETHER THIS IS AN
EITHER/OR SITUATION. NEITHER WE NOR THE BRITISH WOULD

WANT TO HALT FRENCH PROGRESS TOWARD ARTICLE IV ACCEPTANCE,
HOWEVER GLACIAL THAT MOVEMENT MAY BE, BY PREMATURE TABLING
OF A COMPROMISE. ADDITIONALLY, WHILE A FRENCH AGREEMENT
TO COMPROMISE ALONG BRITISH LINES COUPLED WITH AN INFORMAL
AGREEMENT NOT TO UNDERCUT OTHERS COULD BE SUFFICIENT RE
THEM, IF OTHERS JOIN THE SUPPLIERS GROUP NEWCOMERS WOULD
BE FACED WITH NOTHING STRONGER THAN HORTATORY LANGUAGE AND
WOULD NOT NECESSARILY BE AS WILLING TO AVOID UNDERCUTTING
AS THE FRENCH MIGHT BE. AS GENERAL MATTER, BUT IN ARTICLE
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IV AREA PARTICULARLY, EXPANDING THE GROUP'S MEMBERSHIP
BEFORE THE GUIDELINES ARE TIDIED UP COULD BE DANGEROUS.

5. NYE SAID WE UNDERSTAND UK CONCERN THAT SUPPLIERS GROUP
NOT WITHER AWAY FROM LACK OF DISCERNABLE PROGRESS ON ISSUES
BEFORE IT. BUT THE GROUP HAS HAD SUCCESSES. THIS SHOULD
BE VIEWED AS AN OVERALL PROCESS INVOLVING SUCH PAST STEPS
AS FRANCE'S RELATIONSHIP WITH THE IAEA, GOING ON TO TRANS-
FERS OF SENSITIVE TECHNOLOGIES, AND NOW PROCEEDING TO FULL-
SCOPE. WE BELIEVE THAT GROUP HAS A DEFINITE FUTURE, AND
IT SHOULD HAVE A COMPLEMENTARY RELATIONSHIP WITH INFCE.
BUT GETTING DISCOURAGED OR IMPATIENT WITH THE GROUP MUST
NOT BRING ABOUT COMPROMISES WHICH IN FACT COULD RESULT IN
DIVERGENCES BETWEEN INFCE ACTIVITIES AND THE SUPPLIERS.
AS FAR AS SEPTEMBER 20 MEETING IS CONCERNED, KEY FACTOR IS
TIMING: IF WE CAN MAKE PROGRESS ON OTHER AGENDA ITEMS
SUCH AS PREAMBLE AND CANADIAN LANGUAGE ON SANCTIONS, AND
COME UP WITH GOOD COMMUNIQUE LANGUAGE ON EXPANSION, THAT
SHOULD BE ENOUGH TO MOVE US AHEAD TO ANOTHER MEETING
TOWARD THE END OF THE YEAR, BY WHICH TIME DEVELOPMENTS IN
THE NUCLEAR AREA -- INCLUDING INFCE -- MAY HAVE MOVED THE
FRENCH SLIGHTLY IN OUR DIRECTION ON ARTICLE IV. LOWERING
OUR SIGHTS ON FULL-SCOPE, ON THE OTHER HAND, COULD BE BOTH
A TACTICAL MISTAKE RE THE FRENCH AND AN UNFORTUNATE PRE-
CEDENT IF THE GROUP IS EXPANDED.

6. WILMSHURST SAID HE UNDERSTOOD NYE'S POINTS, AND WOULD
REPORT TO LONDON THAT THE US PREFERS NOT TO TRY AN ARTICLE
IV FALL-BACK AT THE SEPTEMBER 20 MEETING BUT TO TRY FOR AS
MUCH PROGRESS ON OTHER AGENDA ITEMS AS POSSIBLE AND WAIT
FOR ANOTHER SESSION LATER THIS YEAR TO TRY AGAIN ON FULL-
SCOPE. HE SAID IT REMAINS TO BE SEEN WHETHER THE SOVIETS
WILL AGREE TO MOVE AHEAD ON OTHER ITEMS WITHOUT TACKLING
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ARTICLE IV. IN RESPONSE TO A QUESTION, HE SAID THAT FRENCH HAVE INDICATED NO POSITION ON AGENDA ITEMS OTHER THAN ARTICLE IV, AND THAT FRG HAS MERELY SAID THAT WHOLE

AREA IS UNDER "HIGH-LEVEL REVIEW."

7. NYE AND WILMSHURST AGREED, RUNNING DOWN THE SEPTEMBER 20 AGENDA, THAT -- ASSUMING NO ARTICLE IV COMPROMISE IS TABLED -- PROLONGED DISCUSSION OF THAT ITEM AT THE MEETING SHOULD BE AVOIDED. THERE SHOULD BE CONSIDERABLE ATTENTION DEVOTED TO THE UK DRAFT PREAMBLE, ON WHICH THE US HAS PROVIDED COMMENTS CONCERNING SUGGESTED LANGUAGE REFINEMENTS, AND ON THE CANADIAN SANCTIONS PROPOSAL (OF THE SEVERAL CANADIAN AMENDMENTS PROPOSED LAST SPRING, WILMSHURST NOTED THAT THE CANADIANS AGREED TO DROP ALL BUT "SANCTIONS" AND "SUPPORT FOR THE IAEA" FROM THE SEPTEMBER AGENDA) -- WILMSHURST WILL ASK THE CANADIANS FOR PROMISED NEW LANGUAGE ON SANCTIONS TO BE CIRCULATED TO CAPITALS PRIOR TO SEPTEMBER 20. ON OVERLAPPING CONTROLS, WILMSHURST SAID HE WILL EXPLORE WITH THE SOVIETS WHETHER THEY CAN NOW ACCEPT CREATION OF A WORKING GROUP AND SUGGEST THAT SINCE THE OVERLAPPING CONTROLS PROBLEM MUST BE ADDRESSED IN SOME FORUM IT WOULD BE TO SOVIET BENEFIT TO HAVE IT DONE UNDER SUPPLIERS GROUP AUSPICES WHERE THEY ARE PRESENT. NYE WILL GIVE A PRESENTATION ON INFCE PROSPECTS (FRENCH REPORTEDLY HAVE LOST INTEREST IN MAKING AN ANALOGOUS PRESENTATION ON TWO-MONTH SUMMIT STUDY). BRITISH WILL TRY TO AVOID PROLONGED DISCUSSION OF THE "FUTURE OF THE SUPPLIERS GROUP" ITEM. ON EXPANSION OF THE GROUP, WE THINK PUBLIC STATEMENTS SHOULD BE FORTHCOMING IN TONE, BUT THAT NO ACTUAL INVITATIONS BE ISSUED AT THIS TIME.

8. WILMSHURST SUGGESTED THAT, WHILE NOT ON THE AGENDA, ISSUES LIKE SOUTH AFRICA AND INDIA MIGHT BE RAISED. HE ALSO SAID IT IS POSSIBLE THAT IMPLEMENTATION OF EURATOM-IAEA SAFEGUARDS AGREEMENT COULD COME UP NOTING THAT SOVIETS

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HAD MADE DEMARCHE IN LONDON SEPTEMBER 2 IN "VERY STRONG TERMS:" WILMSHURST SPECULATED THAT SOVIET INTEREST IN THIS ISSUE WAS ONE WAY OF THEIR "BEING BEASTLY TO THE GERMANS," AND NOTED THAT UK WAS CONCERNED WITH DELAY IN REACHING EURATOM-IAEA AGREEMENT NOT LEAST BECAUSE IT WAS HOLDING UP PACE OF REACHING UK-IAEA ACCORD.

9. WILMSHURST AND NYE AGREED THAT, IF ARTICLE IV ISSUE IS NOT PURSUED IN DEPTH, SEPTEMBER 20 MEETING COULD BE RELATIVELY SHORT, PERHAPS EVEN ONE DAY. IF THAT IS TO BE THE CASE, THEY AGREED THAT THE UK CHAIRMAN SHOULD PREPARE DELEGATIONS SO THAT LATTER'S EXPECTATIONS FOR SEPTEMBER ARE NOT UNDULY RAISED. AT THE CONCLUSION OF THE SEPTEMBER MEETING, CHAIRMAN WILL ANNOUNCE THAT HE WILL CIRCULATE POSSIBLE DATES FOR ANOTHER MEETING, MAKING CLEAR IT SHOULD BE HELD IN COMING FEW MONTHS. VANCE

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